

City of Melville Policy Manual	<u>COUNCIL POLICY</u> Corporate Services	Page: 1 of 5 Issue Number: 1.0 Process Owner: Marketing & Communications Coordinator Effective Date: Last Review Date: 28/5/08 Next Review Date: 28/5/10
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POLICY NO: 01-PL-007

SPONSORSHIP POLICY

POLICY PURPOSE

The objective of the City of Melville's sponsorship policy is to:

- coordinate and maximise sponsorship of City of Melville events, programs and activities, and
- coordinate and manage the City's sponsorship of external organisations and events while protecting the City's brand and reputation.

Within this policy the term '*sponsorship*' refers to all sponsorship (in terms of funds or in-kind support) provided to or by the City as a mutually beneficial business arrangement with external organisations, unless otherwise stated.

This policy will ensure that when seeking or receiving sponsorship, the City:

- coordinates selection of potential sponsors fairly and equitably
- protects the City's integrity, public image and reputation
- ensures the City maximises the full potential benefit from sponsorship
- ensures transparency in all sponsorship transactions and agreements

Please note:

The City of Melville does not actively encourage or seek requests for outgoing sponsorship. In the majority of cases the City of Melville's grant program is designed to address requests for funding assistance.

POLICY OBJECTIVES

Background

In order to enhance, extend and/or off-set costs associated with producing community events or other projects the City of Melville will explore and if deemed appropriate will enter into formal sponsorship agreements. The City may also be approached to sponsor events and activities which enhance the lives of the community.

Sponsorship provides the opportunity for the City to present events and/or programs free of charge or at a reduced rate to the community as well as providing additional resources to heighten specific activities or programs.

Sponsoring a Council event and/or program provides external organisations with the opportunity to gain increased exposure within the City.

Organisations approaching the City of Melville to provide sponsorship of their event or activity must demonstrate a benefit to the local community and will require assessment of costs, benefits and alignment with the organisation's strategic and community plans.

Policy Scope

This policy covers:

- the actions and activities of all service areas of the City of Melville
- venues owned and/or managed by the City of Melville, including recreation centres, libraries, operations centre, Civic Centre, and community centres.

This policy does not cover the actions and activities of any affiliated, associated, connected or unconnected organisation.

This policy does not empower the City of Melville to negotiate or develop sponsorship arrangements on behalf of any affiliated, associated, connected or unconnected organisation.

Policy Objectives

- A sponsorship agreement will only be entered into with organisations whose image supports the values and strategic objectives of the City of Melville.
- Any sponsorship the City accepts or undertakes must not compromise the City's reputation, logo, public image, governance, probity, or ability to fulfil its functions.
- Any sponsorships arrangements undertaken should not replace a service required by law nor inhibit the City's ability to ensure that events, programs and services are accessible and appropriate to all groups in the community.
- Sponsorship arrangements must
 - be consistent with the City of Melville's vision, objectives, corporate identity and values;
 - demonstrate value for money;
 - assist in building awareness about the City of Melville and its associated services, facilities and or activities;
 - improve the City's positioning in the community by building relationships and creating goodwill among target audiences
 - provide opportunities that are mutually beneficial to the City and the other party.
- All benefits received by the City of Melville as a result of a sponsorship agreement will be used directly to support the City's community events and/or programs.
- Officers involved in sponsorship activity should be conscious of their primary responsibility for probity.

What is sponsorship?

Sponsorship is a mutually beneficial business arrangement, which involves the purchase of the right to associate the sponsor's name, products or services with the sponsored organisation's services, products or activities in return for perceived tangible and or negotiated benefits.

Sponsorship can be provided by the Sponsor to the sponsored organisation as cash or as value-in-kind, where the sponsor provides a product or a service.

What is the difference between Sponsorship and Advertising?

Advertising is a promotion for a fixed fee with no additional obligations from either the advertiser or the advertising organisation.

Sponsorship is support either financially or in-kind of one organisation for another. Sponsorship arrangements may include advertising as part of a package or as the exclusive component of a package.

What is NOT considered sponsorship?

The following are not considered sponsorship and are excluded from consideration:

- donations
- grants, bequests, endowments, hospitality, gifts and prizes which are given for philanthropic reasons, where financial or material assistance is given without expectation of anything in return
- grants and/or goods provided through a formally recognised program for a specified purpose with no expectation of commercial return
- joint ventures, consultancies or partnerships in which organisations share ownership and responsibility for the ultimate outcome or product
- projects such as displays and exhibitions in which the sponsor does not receive genuine and measurable value for money
- scholarships
- research projects

Sponsorships not permitted under this Policy

The City of Melville will not sponsor activities:

- deemed inappropriate by the City; such as discriminatory, illegal, or political activities
- which do not positively reflect the City's core values and brand
- which can reasonably be judged as offending or denigrating minority community groups
- which promote smoking, gambling and/or excessive drinking.

Given the above considerations, the City will NOT undertake or facilitate sponsorship that;

1 Policies and principles:

- a) require the City's endorsement of commercial products, services, companies or individuals;
- b) limit the City's ability to carry out its function fully and impartially;
- c) restrict access to City's events, products and services by the widest audience possible;
- d) are not consistent with the City's principles and values;
- e) cannot be accountable to the public;
- f) personally benefit individual City employees, or their friends/family, including Elected Members;
- g) give an external organisation influence over the City and access to restricted information;
- h) pose a conflict with the broader policies, objectives and practices of the City;
- i) require City endorsement of contentious community issues;
- j) require provision to the public of a sponsor's product or service where that product or service has not been evaluated for its fitness for purpose by the City;
- k) require the City to commit to delivering a product or service which it does not have the means, infrastructure or resources to do so;
- l) require endorsement of organisations of a political, religious and/ or race specific nature;
- m) organisations or individuals whose planned activities could potentially contravene the law or be detrimental to public health or safety; and/or

Sponsor Types:

- n) involve sponsors that are in the business of pornography or tobacco; or
- o) involve sponsors in political fields (eg political parties) and/or
- p) involve sponsors in manufacture, distribution and sale of illegal drugs.

Cost Issues:

- q) generate surplus capital which cannot be used to offset costs or enhance a City project (i.e. not a genuine sponsorship);
- r) places a price on the City's sponsorship package that is not fair in comparison to marketplace prices;
- s) require research to establish the viability of undertaking a sponsorship, where that research exceeds the value of the sponsorship itself and/or
- t) places a price on a sponsorship package which is so low as to undermine the perceived quality of that package.

Objectives:

- u) do not have clearly-defined objectives which allow the sponsor and the City to evaluate the outcome and results;
- v) do not support the overall objectives of the City; and/or
- w) do not have a written letter of agreement and/or contract between the City and the sponsor.

Sponsorship Proposal Requirements

In order to help officers prepare a sponsorship proposal for consideration of external organisations, a Sponsorship Proposal Form has been developed and can be provided on request. This form may also be offered to external organisations to request sponsorship BY the City of Melville.

Approval of sponsorship arrangements

A written sponsorship agreement will be developed and must be signed by both parties prior to execution of sponsorship.

- Sponsorship proposals in excess of \$100,000, whether a single year or multi-year sponsorship proposal, will be put to the relevant Director, CEO and then Council for approval.
- Sponsorship proposals between \$10,000 and \$100,000, whether a single year or multi-year sponsorship proposal, will be put to the relevant Director and then CEO for approval.
- Sponsorship proposals up to a total value of \$10,000, whether a single year or multi-year sponsorship proposal, will be put to the relevant Director for approval.

Risk Management

The City reserves the right to:

- undertake a risk assessment of any sponsorship proposal, and
- conduct reasonable checks of sponsored or sponsoring organisations at its discretion.

Supporting documents

1. Sponsorship Procedure

ORIGIN/AUTHORITY

ITEM NO.

REVIEWS

Department responsible: Marketing and Communications
Review date: Two years from date adopted by Council.
